

**The American Recovery and Reinvestment Act (ARRA)**

**Enacted February 17, 2009**

**The First Year – North Carolina**

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ARRA funding is being made available in the following tax and budget categories:

- Tax law adjustments to decrease Federal tax obligations for individuals and businesses.
- Funding to states for budget stabilization and investments in infrastructure and governmental services.
- Direct payments to individuals as a “safety net “for those at greatest economic risk.
- Special funding by federal departments to federal agencies in the state.
- Competitive grant awards by Federal department made on a project application basis to public and private organizations.

A. Funding to State of North Carolina for budget stabilization, infrastructure and governmental services.

Total allocation           \$6,026,072,900

Amount drawn down \$2,560,304,076 (42% Thru 2/16/10)

Status

1. ARRA Stabilization funding in State Budget

FY 08-09 \$1,069,000,000 actual

FY 09-10 \$1,388,000,000 budgeted

FY 10-11 \$1,033,000,000 budgeted

2. Infrastructure – key program areas

Highways and Bridges

ARRA Allocated is \$735,527,000

ARRA deadline for all funds to be committed to projects is March 2, 2010. NCDOT has met this requirement. Funding is allocated to projects in all 14 transportation divisions of the state.

At this time NCDOT has awarded contracts for 309 projects with the obligation of \$580.5 million ARRA funds.

Cash draw down by the state is \$186,132,879.

## Clean Water and Drinking Water

ARRA allocation is \$137,068,500. ARRA deadline for all funds to be under a construction contract is February 17, 2010. DENR has met this requirement.

The state has approved 128 projects for improvements to local drinking water and clean water systems. These projects are in 60 counties across the state. Many of the contracts for these projects were finalized in the October – December, 2009 quarter. Amount draw down \$13,580,399.

## Weatherization

ARRA allocation is \$131,954,536

The state Weatherization Office has executed implementation agreements with regional Community Action Agencies which serve 95 of the 100 counties. The state is in discussion with regional agencies to serve New Hanover, Moore, Montgomery, Richmond and Anson counties.

The regional agencies have substantially completed their ongoing annual weatherization projects, and through January have completed 550 units with the ARRA funding. The target is 23,000 dwelling units over 3 years.

## Energy Efficiency

ARRA allocation to state is \$105,763,000; an additional \$37.1 million direct to local governments.

Grant awards are underway through an RFP process.

Amount draw down for weatherization and energy efficiency - \$12,424,328.

## Community Development

ARRA allocation is \$19,002,120

State distribution share \$12,080,614

Twenty-five local governments received a direct allocation from HUD. The state has made awards to 27 local organizations for community development improvements. These projects are getting underway.

### 3. Governmental Services

#### Education Title I and IDEA

ARRA allocation is \$677,060,763

These funds are distributed to each local Education Agency in state and are being used in

FY 09-10 and 10-11.

Funds draw down are \$170,846,298

#### Workforce Investment

ARRA allocation is \$79,827,136

Funds have been allocated to 24 local workforce management agencies and to special training projects across the state. Funds must be invested by May, 2011.

Funds drawn down are \$38,320,874.

#### Homelessness Prevention Program

ARRA allocation is \$29,078,387

8 local governments received a direct allocation from HUD. The state has awarded grants to 20 local organizations.

B. Direct payments to individuals

In this first year, residents in North Carolina have received supplemental direct payments from ARRA as follows:

Food Stamp recipients	\$195,250,598
Social Security Beneficiaries	\$412,991,000
Unemployment Benefits	<u>\$1,512,516,931</u>
	\$2,120,758,529

C. Special Projects Grant Funding

In this first year, agencies in North Carolina have received ARRA funding for special programs. Most notable are:

NCDOT	- High Speed Rail Improvements	\$545 million
MCNC	- Broadband infrastructure	\$ 28 million (\$40 million with match funds) to impact 37 counties
University (Public & private) Research & Development - \$285 million		

N.C. Housing Finance Agency - \$150 million to construct 2660 affordable housing units with private / nonprofit organizations. There are 18 projects under construction in 15 counties.

Health Information Technology \$26.5 million to the state: To provide training and technical support for primary care providers (\$13.6), and to facilitate information exchange efforts (\$12.9).

D. Direct Federal funding to Federal Agencies in North Carolina, and other governmental agencies.

Total \$600 million

Major areas

Defense Department	\$261 million
Corps of Engineers	38 “
Veteran Affairs	38 “
Interior Department	35 “
Homeland Security	44 “
HHS – Comm. Health Centers	29 “
COPS	31 “
USDA – Forest Service	25 “

E. ARRA Bonds Authorization

Qualified School Construction Bonds - Total \$554 million

Tax Credits for bond interest

8 counties \$42.3 million

Recovery Zone Economic Development Bonds – Total \$418.1million

Direct payment for 45% of interest

3 local governments \$18.4 million

25 other local governments – “Intent” \$109.8 million

Recovery Zone Facilities Bonds – Total \$627.2 million

Tax exempt Private purpose bonds

2 local projects \$33.5 million

23 other local governments – “Intent” \$224 million

- Reallocation Process – N.C. Tax Reform Allocation Committee
- December 31, 2010 deadline for bond issuance - ARRA